

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1990-01
Bill No.: Perfected SB 668
Subject: Agriculture and Animals; Cooperatives; Employees - Employer.
Type: Original
Date: April 2, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
None			
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Natural Resources** and the **Department of Insurance** each assume this proposal would not fiscally impact their respective agencies.

Officials from the **Department of Revenue (DOR)** state that although this legislation may increase the eligibility of the tax credit, DOR does not anticipate this increase being significant. Therefore, no FTE will be requested at this time. If DOR is incorrect in this assumption, one Tax Processing Technician will be needed for every 10,000 new credit claims filed.

Officials from the **Department of Agriculture** did not respond to our request for fiscal impact.

The annual cap for the Agricultural Product Utilization Contributor Tax Credit plus the New Generation Cooperative Incentive Tax Credit is \$6 million. **Oversight** assumes that while decreasing the number of employees in an employee-qualified capital project from 100 to 60 may increase the utilization of the New Generation Cooperative Incentive Tax Credit program, the fiscal note for the enabling legislation (SB 888 in 1999) reflected the loss of revenue of up to \$6 million per year. This proposal does not

ASSUMPTION (continued)

change the annual cap, so Oversight will assume that there is no fiscal impact greater than what has already been reflected on a previous fiscal note.

According to a report previously provided by the Department of Agriculture, the number of credits issued in the past three fiscal years for the Agricultural Product Utilization Contributor Tax Credit (Section 348.430 RSMo) and the New Generation Cooperative Incentive Tax Credit (Section 348.432) have been;

	Section 348.430	Section 348.432	Total
FY 2000	\$1,537,931	\$3,000,000	\$4,537,931
FY 2001	\$1,299,518	\$1,500,000	\$2,799,518
FY 2002	\$1,115,185	\$3,398,000	\$4,513,185

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses that may now be able to take advantage of this tax credit program could be fiscally impacted by this proposal.

DESCRIPTION

This proposal decreases the number of employees in an employee-qualified capital project from 100 to 60 in order to receive a New Generation Cooperative Incentive Tax Credit.

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This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Insurance
Department of Natural Resources

NOT RESPONDING: **Department of Agriculture**



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